

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 1, 2009

To: Service List of R.06-06-028

Subject: Announcement of possible changes to CASF grant program

The Commission has released a Proposed Decision in this docket which is expected to allow applications for California Advanced Services Fund (CASF) grants to be coordinated with funds available under the American Recovery and Reinvestment Act (ARRA) to further extend broadband service to unserved and underserved areas.

The National Telecommunications Information Administration has established the Broadband Technology Opportunities Program to provide \$4.7 billion in ARRA grants to accelerate broadband deployment in the United States. This new program is expected to provide 80% of the funding for approved broadband projects with the applicant funding 20%. Based on the maximum funding available from the ARRA, the Proposed Decision would modify the CASF matching requirements to allow 10% of CASF funds to match applicant's 10%.

Because of the uncertainty involved with anticipated changes in the CASF program, and to avoid unnecessary duplication of application analyses, the Communications Division advises potential applicants that they may want to consider delaying the filing of applications until the Commission issues a decision approving changes in CASF rules, if any.

If you have any questions on the CASF application process, please contact Norman Low at ncl@cpuc.ca.gov or at (415) 703-1607.

Sincerely yours,

A handwritten signature in dark ink that reads "Jack Leutza".

Jack Leutza, Director
Communications Division